

Report of the Governance Committee

1. This report summarises the business undertaken at the Governance Committee meeting held on 20 January.

Governance Committee – 20 January 2021

External Audit Update

2. Barrie Morris from Grant Thornton introduced his colleague Michael Green, and explained that progress is running behind, but since the Draft Statement of Accounts has been provided, work is underway and the audit commenced. There are, however, outstanding planning enquiries.
3. Work is being handed over to Michael Green as the Engagement Lead due to workload capacity. There is optimism work will be completed by the end of March to prevent two simultaneous audits.
4. We noted the report

Update on the Statement of Accounts

5. Tony Furber, Principal Financial Accountant, expressed his delight that the draft Statement of Accounts has been completed, but advised that the narrative report is outstanding and needs to accompany the draft Statement of Accounts when it is published on the website.
6. At the start of 2020, the Council possessed over £10 million worth of usable reserves. The year ended with an additional £688,000 and the finalised total was £10,762,000.
7. The figure for property plans and equipment jumped from £92m to over £136m due to the purchase of Logistics House in addition to other asset work.
8. There was a rise in long term borrowing which matched the increase in property plans and equipment. Cash equivalent increased from £3m to £9m reflected by the increase in short term borrowing from £2.2m to £6.7m. The short-term borrowing increase of £4.5m was to ensure the Covid-19 business grants were paid on time.
9. We noted the report.

Insurance Brokerage Procurement

10. Kerry Maguire, Senior Risk and Insurance Officer, advised the contract to broker insurance was shared between Chorley and South Ribble Council's. Procurement for the contract was previously completed in 2016, with a 2-year contract awarded and the option to extend the contract by an additional two years was triggered in 2018. It has been agreed that the framework option is favourable and that bidders will have a level of preapproval prior to bidding on the contract.

11. The procurement criteria is 30% price and 70% quality and three bids have been received. The previous contract's annual value was £6250 and it is expected the value of the contract to have increased by 50% due to the current market. The successful bid is 6% lower than the previous contract and scored the highest on the quality questions. The successful bidder is to receive a service fee of 3.5% for every policy.
12. Chris Moister, Director of Governance, clarified to the Committee that the total value of the contract was in the small procurement range and could be seen to be unusual to go out on a framework agreement, but it was felt to be important to demonstrate best value.
13. We noted the report.

New Model Code of Conduct

14. Chris Moister, Director of Governance, updated members about the new model for standards and code of conducts released by the Local Government Association on the 23 December 2020. A decision is not required to be made immediately, but consideration is needed as to whether it is appropriate for the council to adopt the code.
15. A positive of the new model code of conduct is the consistency and clarity it will provide to both residents and those Members that may be elected to multiple tiers of local government. The new code is not significantly different from Chorley's existing code and several recommendations made by the Office for Standards in Public Life have already been adopted by the Council. The new code is more prescriptive than the present code.
16. We asked if the adoption of the new code will dilute the ongoing achievement with the existing code of conduct. Chris Moister believes Members will continue to take responsibility for their actions and conduct and did not think that any variation of the code will impact the standards and behaviour exhibited by Members.
17. We noted the report.

RIPA Application Update

18. No RIPA applications made.
19. We noted the update.

Any urgent business previously agreed with the Chair

20. Chris Moister updated the Committee that appointments have been made for the Shared Audit and Risk post and the Senior Audit post. Both are due to start at the start of February 2020, and from their commencement, the Council will possess a resilient audit service.

Recommendation

21. To note the report.

Councillor Debra Platt

Chair of Governance Committee

MP